

CONFIDENTIAL

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STATE

PP RUEA11B
ZNY CCCCC ZUC STATE ZZH
UTS5120
PP RUEHC
DE RUEHR0 #2539 0321814
ZNY CCCCC ZZH
P 011813Z FEB 82
FM AMEMBASSY ROME
TO RUEHC/SECSTATE WASHDC PRIORITY 2945
INFO RUFHOL/AMEMBASSY BONN 3707
RUFHFR/AMEMBASSY PARIS 1892
RUEHLD/AMEMBASSY LONDON 6184
RUEHBS/AMEMBASSY BRUSSELS 4630
RUEHMO/AMEMBASSY MOSCOW 0242
RUEHKO/AMEMBASSY TOKYO 3489
RUFHNA/USMISSION USNATO 7362
BT
C O N F I D E N T I A L ROME 02539

E.O. 12065: GDS, 2/1/88 (REED, RANDOLPH) OR-E
TAGS: EEWT, ENRG, ETRD, IT
SUBJECT: ITALIAN CONTRACTS FOR THE SOVIET GAS PIPELINE

REF: STATE 19160

1. CONFIDENTIAL - ENTIRE TEXT.
2. THE FOLLOWING INFORMATION ON ITALIAN CONTRACTS FOR THE SOVIET GAS PIPELINE IS PROVIDED IN RESPONSE TO THE REQUEST CONTAINED REFTEL. BEFORE RECEIPT OF REFTEL WE HAD CHECKED WITH INDUSTRY AND GOVERNMENT OFFICIALS ON THE PIPELINE CONTRACTS AND OUR INFORMATION IS BASED ON PRESS REPORTS AND THESE EARLIER CONVERSATIONS.

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State Dept. review completed

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File Pipeline

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3. ITALIAN PRESS AND FIRMS INITIALLY (MID-1981) SPOKE OF OBTAINING APPROXIMATELY 1.5 BILLION WORTH OF CONTRACTS FOR THE PIPELINE, IN THREE MAJOR AREAS: TELECOMMUNICATIONS EQUIPMENT, PIPES, AND COMPRESSOR STATIONS. WE HAVE LEARNED FROM ENI, THE STATE ENERGY FIRM, THAT THE ITALIAN STEEL COMPANY FINSIDER HAS OTHER CONTRACTS WITH THE SOVIET UNION FOR GAS PIPELINES BUT DOES NOT MAKE PIPES MEETING THE SPECIFICATIONS FOR THE SIBERIAN PIPELINE. SIMILARLY THE ITALIAN BID (BY THE FIRM TELETTRA OF THE FIAT GROUP) TO SUPPLY TELECOMMUNICATIONS EQUIPMENT APPEARS NOT TO HAVE BEEN ACCEPTED. THE ONLY DEFINITE ITALIAN CONTRACT FOR THE SOVIET GAS PIPELINE, THEREFORE, IS THE FOLLOWING:

PRODUCT	FIRM	U.S. COMPONENTS	VALUE
19 COMPRESSOR STATIONS	NUOVO PIGNONE	57 GE FRAME V. TURBINES	560 MILLION

4. WE UNDERSTAND ITALIAN FIRMS MAY HAVE BIDS IN FOR OTHER, SMALLER CONTRACTS, AND WILL CONTINUE TO REPORT ON CONTRACTS AS WE LEARN MORE ABOUT THEM. RABB

END OF MESSAGE

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